

Document: Proposed Rule, **Register Page Number:** 29 IR 110

Source: October 1, 2005, Indiana Register, Volume 29, Number 1

Disclaimer: This document was created from the files used to produce the official CD-ROM Indiana Register.

**TITLE 570 INDIANA COMMISSION ON
PROPRIETARY EDUCATION**

Proposed Rule
LSA Document #05-178

DIGEST

Amends 570 IAC 1-1-1 with minor technical corrections and the addition of definitions for “branch campus”, “learning site”, and “correspondence instruction”. Amends 570 IAC 1-2-3, 570 IAC 1-2-4, 570 IAC 1-3-1, 570 IAC 1-3-2, 570 IAC 1-3-3, 570 IAC 1-4-1, and 570 IAC 1-4-2 with minor technical corrections. Amends 570 IAC 1-4-3 with minor technical corrections, to increase the fee paid to evaluation team members to \$100 from \$75, and to increase the maximum cost for in-state evaluations from \$500 to \$1,000. Amends 570 IAC 1-4-4 with minor technical corrections. Amends 570 IAC 1-5-2 to extend the agent permit exemption to on-campus personnel and with minor technical corrections. Amends 570 IAC 1-5-3, 570 IAC 1-5-4, 570 IAC 1-5-5, 570 IAC 1-5-6, and 570 IAC 1-5-7 with minor technical corrections. Amends 570 IAC 1-6-1 with minor technical corrections and removal of reference to agent bonding. Amends 570 IAC 1-6-2 with minor spelling corrections. Amends 570 IAC 1-6-3, 570 IAC 1-6-4, 570 IAC 1-6-6, 570 IAC 1-8-3, and 570 IAC 1-8-4.5 with minor technical corrections. Adds 570 IAC 1-8-5.5 to provide a student refund policy that applies to programs of study that are less than 120 clock hours in length. Amends 570 IAC 1-8-7 and 570 IAC 1-9-5 with minor technical corrections. Amends 570 IAC 1-10.1-4 to require 60 semester or 90 quarter credit hours for associate degree programs, consistent with national accrediting bodies, and adds requirements for occupational associate degrees. Amends 570 IAC 1-10.1-6 with minor technical corrections. Amends 570 IAC 1-11-4 to incorporate student record requirements on withdrawn or dropped students. Amends 570 IAC 1-11-8, 570 IAC 1-12-1, and 570 IAC 1-12-2 with minor technical corrections. Amends 570 IAC 1-13-1 to delineate requirements for the establishment of learning sites by in-state institutions. Amends 570 IAC 1-13-2 to delineate requirements for the establishment of learning sites by out-of-state institutions. Amends 570 IAC 1-13-3 to delineate requirements for the establishment of branch campuses. Amends 570 IAC 1-13-4 to specify that the regulations apply to branch campuses in the same manner as main campuses. Amends 570 IAC 1-14-2, 570 IAC 1-14-3, and 570 IAC 1-14-4 with minor technical corrections. Amends 570 IAC 1-14-10, concerning the Career College Student Assurance Fund, by adding the statement that the failure to provide a required refund, resulting in a claim against the bond or fund, may be construed as a violation of the refund adherence standard set forth in IC 20-12-76-25(7). Amends 570 IAC 1-14-11, concerning the Career College Student Assurance Fund, to add that the Commission may proceed against the institution “or its operator(s)” to collect against claims paid from the fund, and that the Commission may request the assistance of the Office of the Attorney General in enforcing such collection. Makes numerous changes, including Indiana Code references, consistent with the recodification act of 2005 (HEA 1288). Effective 30 days after filing with the Secretary of State.

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

Estimated Number of Small Businesses Subject to This Rule:

The Commission estimates that approximately 200 postsecondary proprietary institutions, as defined by IC 20-12-76 et seq., will be directly affected by this rule.

Estimated Average Annual Administrative Costs That Small Businesses Will Incur:

Among the regulated institutions, approximately 100 in-state institutions that are not nationally accredited will be affected by the increased fee for on-site evaluators (570 IAC 1-4-3). These evaluations occur every five years and typically engage three outside evaluators. Therefore, the anticipated additional cost per evaluated institution is \$75 every five years.

Estimated Total Annual Economic Impact on Small Businesses:

Except as noted above, no additional economic impact to the regulated institutions is anticipated as a result of the proposed changes to the rule.

Statement Justifying Requirement or Cost Imposed by this Rule:

All technical corrections and substantive modifications are consistent with the postsecondary proprietary education market. The proposed increase in the fee paid to outside evaluators is designed to aid in the recruitment of qualified evaluators. This fee has not been adjusted since its establishment in Title 570 of the Indiana Administrative Code in 1979.

Regulatory Flexibility Analysis of Alternative Methods:

All requirements set forth or proposed in this rule are consistent with those set forth in law (IC 20-12-76 et seq.). As the proposed

rule and adjusted fee are considered incremental in nature, these rules are to be implemented upon adoption and apply to all regulated institutions.

570 IAC 1-1-1	570 IAC 1-8-3
570 IAC 1-2-3	570 IAC 1-8-4.5
570 IAC 1-2-4	570 IAC 1-8-5.5
570 IAC 1-3-1	570 IAC 1-8-7
570 IAC 1-3-2	570 IAC 1-9-5
570 IAC 1-3-3	570 IAC 1-10.1-4
570 IAC 1-4-1	570 IAC 1-10.1-6
570 IAC 1-4-2	570 IAC 1-11-4
570 IAC 1-4-3	570 IAC 1-11-8
570 IAC 1-4-4	570 IAC 1-12-1
570 IAC 1-5-2	570 IAC 1-12-2
570 IAC 1-5-3	570 IAC 1-13-1
570 IAC 1-5-4	570 IAC 1-13-2
570 IAC 1-5-5	570 IAC 1-13-3
570 IAC 1-5-6	570 IAC 1-13-4
570 IAC 1-5-7	570 IAC 1-14-2
570 IAC 1-6-1	570 IAC 1-14-3
570 IAC 1-6-2	570 IAC 1-14-4
570 IAC 1-6-3	570 IAC 1-14-10
570 IAC 1-6-4	570 IAC 1-14-11
570 IAC 1-6-6	

SECTION 1. 570 IAC 1-1-1 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-1-1 Definitions

Authority: IC 20-12-76-13

Affected: IC 20-12-76

Sec. 1. As used in the rules and regulations prescribed by The Indiana Commission for Postsecondary Proprietary Education, pursuant to Public Law 313; (Acts of 1971) as amended **following definitions apply throughout this title unless the context indicates otherwise:** requires:

(1) (a) COMMISSION. The term "Commission" refers to the seven members, authorized by Public Law 313 (Acts of 1971). All action taken by the administrative staff affecting the original appointment, reappointment, suspension, revocation or denial of accreditation is done at the direction of and with the approval of the seven members under authority granted them by Public Law 313 (Acts of 1971).

(2) POSTSECONDARY PROPRIETARY EDUCATIONAL INSTITUTION. The term means any person doing business in the State by offering to the public, for a tuition, fee or charge, instructional or educational services or training in any technical, professional, mechanical, business or industrial occupation, either in the recipient's home, or at a designated location, or by mail. The following shall not be considered to be postsecondary educational institutions subject to the provisions of this chapter:

(1) Any educational institution established by law and financed in whole or part by public funds; or

(2) Any postsecondary proprietary educational institution approved or regulated by any other state regulatory board, agency or commission; or

(3) Any elementary or secondary school attended by students in kindergarten and/or grades 1 through 12, supported in whole or in part by private tuition payments, such elementary and secondary schools being expressly excluded from this chapter.

(4) Any educational institution or educational training that is:

(i) maintained or given by an employer or group of employers, without charge, for his or their employees or for persons they anticipate employing; or

(ii) maintained or given by a labor organization, without charge, for its or their members or apprentices; or

(iii) offers exclusively instruction which is clearly self-improvement, motivational or avocational in intent (including, but not limited to instruction in dance, music, self defense, private tutoring); or

(iv) montessori or nursery schools; or

(5) Any privately endowed two (2) or four (4) year degree granting institution, regionally accredited, whose principal campus

is located within Indiana:

(3) **AGENT**: The term “agent” means any person who enrolls or seeks to enroll a resident of this state through personal contact, telephone, advertisement, letter, or publications in a course offered by a postsecondary proprietary educational institution or who otherwise holds himself out to the residents of this state as representing a Postsecondary Proprietary Educational Institution.

(4) **TEAM**: The term “team” refers to the combined membership of the evaluators who will do the on-site evaluation of the institution prior to the issuance of accreditation. These members are chosen on the basis of their expertise in the field to be examined. In addition, one or more members of the Commission or its staff will be assigned to accompany the team in the capacity of a technical observer.

(5) **ACCREDITATION**: The term (1) “Accreditation” refers to the certificate or written document issued by the commission attesting to the school’s compliance with the minimal standards as prescribed by the law and the procedures required by the rules and regulations.

(6) **SOLICITATION**: The term “solicitation” refers to the attempt to recruit students by any means whatsoever, including, but not limited to all forms of advertisement, and personal petition.

(2) “Agent” means any person who:

(A) enrolls or seeks to enroll a resident of this state through:

- (i) personal contact;
- (ii) telephone;
- (iii) advertisement;
- (iv) letter; or
- (v) publications;

in a course offered by a postsecondary proprietary educational institution; or

(B) otherwise holds himself out to the residents of this state as representing a postsecondary proprietary educational institution.

(7) **BEGINNING OF TRAINING**: The term (3) “Beginning of training” means the beginning of actual training when the student receives his first course materials by mail or other distance delivery mechanism or when the student matriculates.

(8) **IC**: The abbreviation “IC” stands for Indiana Code which is used as legal cite reference for the law establishing the Commission:

(9) **PL**: The abbreviation “P.L.” stands for the term “Public Law” used as legal cite for all laws established by the Indiana General Assembly.

(10) **PRO RATA**: With reference to resident training “pro rata” means a refund policy computed; on either the number of lessons completed or begun or the number of weeks completed or begun; the number of courses completed or begun; the number of quarters or semesters completed or begun; and with reference to correspondence training it means a refund based on lesson assignments received by the institution from the student.

(11) **THE PRONOUN “HE”**: When used in these rules and regulations shall stand for both male and female gender.

(12) **BOND**: The term (4) “Bond” stands for means a surety bond made payable to the state of Indiana for either the institution or agent and shall be conditioned to provide indemnification to any student:

(A) suffering loss as a result of fraud or misrepresentation on the part of the institution; or agent or

(B) when the institution:

- (i) ceases to do business; and
- (ii) is unable to fulfill its contractual obligation with the student.

Indemnification shall be made according to procedures adopted by the commission.

(13) **EVALUATION**: The term “evaluation” refers to a complete on-site visitation of the petitioning institution to determine the ability of the institution to actually provide training.

(14) **COMMISSIONER**: The term “Commissioner” is the title of the Chief Executive Officer of the Commission. He is not a voting member of the seven member Commission established by law, but is charged with carrying out the over-all administration of the day to day duties of the agency; hiring and firing of subordinate professional staff; and discharge the orders and directions of the seven member Commission.

(15) **CONTRACT**: The term “contract” as used in these rules and regulations means any agreement, or obligation expressed or otherwise, negotiable or non-negotiable by which the institution agrees to provide educational services or training to the student or prospective enrollee and the student or prospective enrollee in turn promises to pay a mutually agreed upon fee, charge or tuition. Any obligation, negotiable or non-negotiable, providing for payment for a course or courses of instruction shall be void if the postsecondary proprietary educational institution is not accredited to operate in the State of Indiana.

(16) **ENROLLMENT**: The term “enrollment” means that point at which the registration fee of not more than \$100.00 has been paid.

(17) **REGISTRATION FEE**: Registration fee or any other term means that charge, levied before the beginning of training for

administrative expenses incurred by the school when providing educational training or service to one student. The registration fee will not be more than \$100.00.

(18) **PROFESSIONAL SUBJECTS:** The term "professional subjects" shall mean those subjects directly leading to the students preparation in the trade, technical, business, or mechanical career for which he has enrolled and for which a diploma, certificate or degree will be awarded.

(19) **PERSON:** "Person" means any individual, partnership, association, corporation, joint venture, trust, receiver or trustee in bankruptcy.

(5) **"Branch campus"** means any location of an institution other than the main campus, but under the same corporate structure as the main campus, that is, part of the main campus corporation or a wholly owned subsidiary, that:

(A) is permanent in nature;

(B) offers a full program leading to a degree, certificate, or other recognized credential; and

(C) is geographically separate from the main campus such that students may not easily avail themselves of educational, financial aid, and administrative services of the main campus.

(6) **"Commission"** refers to the seven (7) members authorized by IC 20-12-76. All action taken by the administrative staff affecting the:

(A) original appointment;

(B) reappointment;

(C) suspension;

(D) revocation; or

(E) denial;

of accreditation is done at the direction of and with the approval of the seven (7) members under authority granted them by IC 20-12-76.

(7) **"Commissioner"** means the chief executive officer of the commission. The commissioner is not a voting member of the seven (7) member commission established by law, but is charged with carrying out the following:

(A) The overall administration of the day-to-day duties of the agency.

(B) The hiring and firing of subordinate professional staff.

(C) Discharging the orders and directions of the seven (7) member commission.

(8) **"Contract"** means any agreement or obligation, expressed or otherwise, negotiable or nonnegotiable, by which the:

(A) institution agrees to provide educational services or training to the student or prospective enrollee; and

(B) student or prospective enrollee in turn promises to pay a mutually agreed upon fee, charge, or tuition.

Any obligation, negotiable or nonnegotiable, providing for payment for a course or courses of instruction shall be void if the postsecondary proprietary educational institution is not accredited to operate in the state of Indiana.

(9) **"Correspondence instruction"**, also referred to as distance education, means any mode of instruction in which there is a separation, in time or place, between the instructor and the student. Presented in a sequential and logical order, the instruction is offered wholly or primarily by distance study, through virtually any media.

(10) **"Enrollment"** means that point at which the registration fee of not more than one hundred dollars (\$100) has been paid.

(11) **"Evaluation"** refers to a complete on-site visitation of the petitioning institution to determine the ability of the institution to actually provide training.

(12) **"Learning site"** means a nonmain campus that:

(A) does not meet the definition of a branch campus; and

(B) offers instructional training that is administered by a main or branch campus.

(13) **"Person"** means any of the following:

(A) An individual.

(B) A partnership.

(C) An association.

(D) A corporation.

(E) A joint venture.

(F) A trust.

(G) A receiver.

(H) A trustee in bankruptcy.

(14) **"Postsecondary proprietary educational institution"** means any person doing business in the state by offering to the public, for a tuition, fee, or charge, instructional or educational services or training in any technical, professional, mechanical, business, or industrial occupation, either in the recipient's home, at a designated location, or by mail. The following shall not be considered to be postsecondary educational institutions subject to the provisions of this article:

- (A) Any educational institution established by law and financed in whole or part by public funds.
- (B) Any postsecondary proprietary educational institution approved or regulated by any other state regulatory board, agency, or commission.
- (C) Any elementary or secondary school attended by students in kindergarten or grades 1 through 12, supported in whole or in part by private tuition payments, such elementary and secondary schools being expressly excluded from this article.
- (D) Any educational institution or educational training that:
 - (i) is maintained or given by an employer or group of employers, without charge, for the employees or for persons they anticipate employing;
 - (ii) is maintained or given by a labor organization, without charge, for its members or apprentices;
 - (iii) offers exclusively instruction that is clearly self-improvement, motivational, or avocational in intent, including, but not limited to, instruction in dance, music, self-defense, or private tutoring; or
 - (iv) is a Montessori or nursery school.
- (E) Any privately endowed two (2) or four (4) year degree granting institution, regionally accredited, whose principal campus is located within Indiana.

(15) “Professional subjects” means those subjects directly leading to the student’s preparation in the trade, technical, business, or mechanical career for which:

- (A) the student has enrolled; and
- (B) a diploma, certificate, or degree will be awarded.

(16) “Pro rata”, when referring to resident training, means a refund policy computed on either the number of:

- (A) lessons;
- (B) weeks;
- (C) courses;
- (D) quarters; or
- (E) semesters;

completed or begun. When referring to correspondence training, the term means a refund based on lesson assignments received by the institution from the student.

(17) “Registration fee” means that charge, levied before the beginning of training, for administrative expenses incurred by the school when providing educational training or service to one (1) student. The registration fee will not be more than one hundred dollars (\$100).

(18) “Solicitation” refers to the attempt to recruit students by any means whatsoever, including, but not limited to, all forms of advertisement and personal petition.

(19) “Team” refers to the combined membership of the evaluators who will do the on-site evaluation of the institution before the issuance of accreditation. These members are chosen on the basis of their expertise in the field to be examined. In addition, one (1) or more members of the commission or its staff will be assigned to accompany the team in the capacity of chair and technical observer.

(Indiana Commission on Proprietary Education; PT I; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 174; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 2. 570 IAC 1-2-3 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-2-3 Nationally recognized accrediting agencies

Authority: IC 20-12-76-13

Affected: IC 20-12-76

Sec. 3. ~~NATIONALLY RECOGNIZED ACCREDITING AGENCIES~~: The commission shall determine whether to accept as sufficient the accreditation issued by a nationally ~~re-organized~~ **recognized** accrediting body. If the review indicates that the standards are substantially the same or greater than the standards and requirements of the commission, then accredited status may be issued in lieu of an on-site evaluation, providing the status report provided by the accrediting commission indicates the institution to be in good standing. *(Indiana Commission on Proprietary Education; PT II, 2.03; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 177; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

SECTION 3. 570 IAC 1-2-4 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-2-4 Documentation by reciprocal or prior accreditation applicants

Authority: IC 20-12-76-13

Affected: IC 20-12-76-15; IC 20-12-76-17

Sec. 4. ~~OTHER REQUIREMENTS IN LIEU OF EVALUATION:~~ The applicant institution ~~which that~~ seeks the right to do business in Indiana, either through reciprocity or by prior accreditation issued by a nationally recognized accrediting body, must submit the following:

~~(A) (1) The application fee.~~

~~(B) Bonds for both the institution (Bond S) and agents (Bond A or PSA-LBB):~~

(2) The institutional surety bond on the appropriate state form or forms.

~~(C) ICPPE Form PSA-1; (3) Four (4) copies of the application/self-study. in four copies.~~

~~(D) (4) A financial statement (See Rule 12.00): 570 IAC 1-12.)~~

~~(E) (5) A copy of the incorporation papers as filed with the state of domicile.~~

(Indiana Commission on Proprietary Education; PT II, 2.04; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 177; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 4. 570 IAC 1-3-1 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-3-1 Accreditation statuses

Authority: IC 20-12-76-13

Affected: IC 20-12-76

Sec. 1. ~~ACCREDITATION PHASES:~~ An institution ~~which that~~ desires to do business in Indiana will send a letter requesting accreditation ~~and send it~~ to the commission.

~~(A) Phase One (1) Applicant status:~~

~~(1) (A) The commission will send all applicable materials to the institution including the following:~~

~~(i) The fee schedule. and~~

~~(ii) Directions for meeting the requirements.~~

~~(2) (B) Upon approval of the appropriate materials and an application fee, the commission will place the petitioning institution on applicant status. This status is for a period of not less than sixty (60) days nor more than eleven (11) months. During this period, the commission shall establish the date of the evaluation.~~

~~(3) (C) During the applicant status, (not less than sixty (60) days nor more than eleven (11) months); the institution will prepare for its on-site evaluation. During this period, the petitioning institution may not use the terms "license", "licensed by", "approved", "applicant", or "accredited", nor may it use the seal of the commission. Any applicant school which that has, at the time of application:~~

~~(i) an accredited status with a nationally recognized accrediting body approved by the U.S. Office Department of Education; or who has~~

~~(ii) approval from the Veterans Administration for veterans educational benefits; may use the authorized terms to reflect such status, as approved by the appropriate accrediting body or the Veterans Administration.~~

~~(4) (D) If in the event, it is determined that the institution is found to be totally unfit to qualify for any status set out in Rule 3-01, Part H of these regulations; said this section, the institution shall be notified by certified mail of the following:~~

~~(i) The denial of the right to do business within the state of Indiana. and~~

~~(ii) The penalty provisions of this act: IC 20-12-76.~~

~~(B) Phase Two (2) Candidate status:~~

~~(1) (A) If, after review of the forms and materials submitted by the petitioning institution and the formal team evaluation, the petitioning institution is found to still have certain deficiencies, that which in the opinion of the commission:~~

~~(i) can be corrected; and~~

~~(ii) would not be cause for denial of the right to do business;~~

~~then the petitioning institution may be awarded "candidate status".~~

~~(2) (B) This candidate status may be awarded for:~~

~~(i) any period of time from sixty (60) days to twelve (12) months; or~~

~~(ii) in special cases approved by the commission in formal session, for a period not to exceed twenty-four (24) months.~~

~~(3) (C) During the period of candidate status, the institution may not use such the terms as "licensed", "approved", "accredited", or "candidate", nor may it use the seal of the commission. Any candidate institution which that has, at the time of application:~~

~~(i) an accredited status with a nationally recognized accrediting body approved by the U.S. Office Department of Education; or who has~~

(ii) approval from the Veterans Administration for veterans educational benefits; may use the authorized terms to reflect such status as approved by the appropriate accrediting body or the Veterans Administration.

(4) (D) The candidate institution will furnish, during the established period of candidate status, progress reports:

(i) commencing the thirty-first (31st) ~~days~~ **day** after the status notification; and

(ii) each thirty (30) days thereafter;

until the reevaluation has been completed.

(C) ~~Phase Three Accreditation With Recommendations~~

(+) (3) If, after review of the forms and materials submitted by the petitioning institution and the formal team evaluation, the petitioning institution is found to still possess certain deficiencies that are not so serious as to cause either denial of accreditation or candidate status, but such recommendations are needed to increase efficiency, then:

(A) the institution may be awarded "accreditation with recommendations"; and

(B) in such case, the recommendations must be complied with within the time granted in each individual case, not to exceed one (1) year.

(D) ~~Phase Four~~ (4) Fully accredited status:

(+) (A) If:

(i) after a review of the forms, materials, and an on-site evaluation performed by a duly authorized team; and

(ii) the institution has corrected all deficiencies noted during its "applicant", "candidate", or "accreditation with recommendations" status;

then it shall be granted "fully accredited status".

(2) (B) This status is good for a period of one (1) year from issuance of the letter of notification.

(3) (C) An institution ~~which that~~ has been awarded fully accredited status may use one (1) of the following statements in all advertising, and it may be imprinted on stationery of the institution:

(a) (i) "An ~~ICPPE~~ **ICOPE** Accredited Institution".

(b) (ii) "Accredited in Indiana by the ~~ICPPE~~ **ICOPE**".

(c) (iii) "Fully Accredited by the Indiana Commission for ~~Postsecondary~~ **on Proprietary Education**".

(4) (D) No other terms, statements, or expressions are hereby authorized for use by any institution other than those expressly noted in ~~these regulations: this title~~.

(5) (E) All schools will show their advertising code:

(i) on television commercials; ~~and newspaper~~

(ii) **on print** advertisements; and

(iii) only on radio commercial script sheets;

intended for airing or publication in Indiana media markets.

(6) ~~In the event the Commission finds the submitted information insufficient, it may require completion of Form FR-1 (7/77).~~

(Indiana Commission on Proprietary Education; PT III,3.01; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 177; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 5. 570 IAC 1-3-2 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-3-2 Certificate of accreditation; form; seal

Authority: IC 20-12-76-13

Affected: IC 20-12-76-13

Sec. 2. ~~ACCREDITATION USE OF APPROVED TERMS:~~ (a) When a school has been awarded accredited with recommendations for fully accredited status, it may use the official seal as part of its advertising or communications.

(A) ~~CERTIFICATE OF ACCREDITATION:~~ (b) The commission will **do the following:**

(1) Notify the petitioning institution that it has been awarded accredited status. ~~and~~

(2) Upon receipt of the required fee, ~~will~~ send the certificate of accreditation, (~~Form AC 7/77~~), which will be displayed in a prominent position by the institution.

(B) ~~FORM AC (7/77):~~ (c) The certificate of accreditation, the facsimile seal (wall plaque), and any commercial production of the seal remain the property of the commission, and its use may be revoked or denied upon cause, at the request of the commission. *(Indiana Commission on Proprietary Education; PT III,3.02; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 179; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

SECTION 6. 570 IAC 1-3-3 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-3-3 Renewal of accreditation; on-site evaluation

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26

Sec. 3. ~~RENEWAL OF ACCREDITATION~~: Renewal of fully accredited status will be accomplished in the following manner:

~~(A)~~ (1) Submit the renewal fee.

~~(B)~~ (2) Submit ~~PSA-IR~~ in one (1) copy of the **application for accreditation renewal** on or before the expiration date of accredited status. The form shall contain, but is not limited to, the following information:

~~(1)~~ **Names of courses and descriptions of courses (A) The name, description,** and cost of each course.

~~(2)~~ **(B) The** total clock hours, semester hours, or quarter hours of each course.

~~(3)~~ **(C) The** number of students enrolled in each course during the period of accreditation.

~~(4)~~ **(D) The** current number of students enrolled in each course.

~~(5)~~ **(E) The** number of students who dropped out for any cause during the period of accreditation.

~~(6)~~ **(F) The** number of graduates:

(i) by course;

~~(7)~~ **Number of graduates (ii)** placed; **and**

~~(8)~~ **Number of graduates (iii)** who took the course for personal advancement in the form of educational objectives or occupational objectives.

~~(3)~~ (3) A current copy of the institution's incorporation papers as filed with the state of domicile.

~~(4)~~ (4) Submit a copy of the last annual financial statement certified as true and correct by the preparer or:

~~(1)~~ **(A)** if the institution is part of a consolidated group, a statement from the financial office of the parent company stating that company assets will be used to support and ~~insure~~ **ensure** the financial stability of the institution; ~~or~~

~~(2)~~ **(B)** if started by an individual or group of individuals, ~~they shall furnish~~ a statement of personal worth sufficient to support and ~~insure~~ **ensure** financial stability of the institution; or

~~(3)~~ **(C)** completion of ~~Form FR-1 (7/77):~~ **the financial report submission sheet.**

~~(4)~~ In the event the commission finds the submitted information insufficient, it may require ~~completion~~ **resubmission** of ~~ICPPE Form FR-1 (7/77):~~ **the financial report submission sheet.** ~~(5)~~ An institution, in circumstances where deemed necessary, shall submit financial statements certified as true and correct by an independent accountant.

~~(E)~~ **(5)** The fifth ~~(5th)~~ year after the initial award of fully accredited status, **and every five (5) years thereafter**, the institution will undergo a complete on-site evaluation performed in the same manner as the initial evaluation.

(Indiana Commission on Proprietary Education; PT III,3.03; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 179; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 7. 570 IAC 1-4-1 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-4-1 Initial accreditation; request; notice of status

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26; IC 20-12-76-31

Sec. 1. ~~INITIAL ACCREDITATION BY THE PRIVATE INSTITUTION~~: The initial accreditation process will be initiated as follows:

~~(A)~~ (1) A letter requesting accreditation will be sent to the commission. The commission, upon receipt of the request, will send the institution the following documents:

~~AAS-1~~ **Application for Applicant Status**

~~P.L.159~~ **Statutes of the Commission (IC 20-12-76)**

Rules and Regulations (570 IAC)

Standards (IC 20-12-76-26)

Fee Schedule

~~ATV-1~~

Institutional Surety Bond S Form

~~Bond A~~ **Agent Permit Application**

~~Bond PSA-1BB~~ **Agent Training Verification Form**

~~AA-1~~ **Application for Accreditation/Self-Study**

~~AA-1AB~~ **Financial Report Submission Sheet**

~~PSA-1~~

~~FR-1~~

~~(B)~~ (2) Upon receipt of these materials, the petitioning institution should proceed as follows:

~~(1)~~ **(A)** Obtain their institutional bond on ~~ICPPE Form~~ **the commission's institutional surety bond S pursuant to Public Law**

159; (Acts of 1972): **form under IC 20-12-76.** The institutional bond shall be **as follows:**

(i) Made payable to the state of Indiana. ~~and~~

(ii) In the amount of ~~\$5,000.00~~ **five thousand dollars (\$5,000)** or **ten percent (10%)** of the preceding year's gross tuition, whichever is larger, but in no case to exceed ~~\$25,000.00:~~ **fifty thousand dollars (\$50,000).**

~~(2) Obtain bonds for each agent on ICPPE Form Bond A or PSA-1BB~~ **(B) The agent permit application and the agent training verification forms should be submitted** for each agent who is to be doing business in Indiana pursuant to P.L.313; Section 16; payable to the State of Indiana in the amount of \$5,000.00 per agent. Forms AA-1, AA-1AB, ATV-1 should be prepared and attached to the agent bonds: **under IC 20-12-76-31.**

~~(3) (C) Make a check payable to the Indiana Commission for Postsecondary on Proprietary Education to cover the:~~

(i) institution's; ~~application fee and the~~

(ii) ~~agent or agents';~~

application fee.

~~(4) (D) Submit copies of current:~~

(i) contracts;

(ii) tuition fees;

(iii) course descriptions; and ~~a copy of the~~

(iv) institution's incorporation papers as filed with the state of domicile.

~~(5) (E) Submit a copy of the last annual financial statement certified as true and correct by the preparer or:~~

~~(a) (i) if the institution is part of a consolidated group, a statement from the financial office of the parent company stating that company assets will be used to support and insure ensure the financial stability of the institution; or~~

~~(b) (ii) if started by an individual or group of individuals, they shall furnish a statement of personal worth sufficient to support and insure ensure financial stability of the institution; or~~

~~(c) (iii) completion of ICPPE Form FR-1 (7/77): the commission's financial report submission sheet.~~

~~(d) In the event the commission finds the submitted information insufficient, it may require completion of ICPPE Form FR-1 (7/77): resubmission of the commission's financial report submission sheet.~~

~~(6) (F) Complete form AAS-1: the application for applicant status.~~

~~(3) Upon official notification of applicant status, the institution will have not less than sixty (60) days nor more than eleven (11) months to prepare the PSA-1 application for formal accreditation and self-study.~~

~~(4) Failure to supply required ICPPE forms and information will result in suspension.~~

(Indiana Commission on Proprietary Education; PT IV,4.01; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 181; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 8. 570 IAC 1-4-2 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-4-2 Team designation; on-site evaluation

Authority: IC 20-12-76-13

Affected: IC 20-12-76-23

Sec. 2. ~~TEAM DESIGNATION:~~ **(a)** After the institution has been on applicant status for a period of not less than sixty (60) days nor more than eleven (11) months, the commission will then begin procedures to choose a team to perform the on-site evaluation.

~~(A) (b) The commission will designate, from the ranks of business, industry, or education, team members who by virtue of their expertise and job classification qualify to evaluate petitioning institutions under the authority of P.L.313 (Acts of 1971), as amended: IC 20-12-76. Upon acceptance of their desire to serve, as team members shall be furnished copies of the following documents:~~

~~ICPPE Form TVS-1 (7/77) Notice of Evaluator Acceptance~~

~~ELTE (7/77) IC 20-12-76~~

~~TMV (7/77) Evaluation Team Announcement~~

~~VTEC (7/77) Title 570 IAC~~

~~TV-2 (7/77) Institutional Standards~~

~~VTA (7/77) Claim Voucher and IRS Form W-9~~

~~TM-3 (7/77) Evaluation Procedures and Criteria~~

~~V-1 (or VO2) (7/77) Completed Application for Formal Accreditation~~

~~(B) (c) The Commissioner may designate one member of the team to commission staff member responsible for the oversight of the school shall serve as team Chairman. Upon acceptance of that assignment by the chairman-designate, he shall be supplied the following documents: chairperson.~~

ICPPE Form TVS-1 (7/77)
FM-1-CH (7/77)
TMV (7/77)
TV-2 (7/77)

V-1 (or) V-2 (7/77)
CLTE (7/77)
VTEC (7/77)
VTA (7/77)

~~(C)~~ (d) The commission shall ~~notify~~ **notify** the **applicant** institution as follows:

(1) In advance of the institutional evaluation.

~~(D) The Commission shall notify the applicant institution~~ (2) Of the scheduled on-site evaluation and the names of the team members. The school upon notification of the team members has the right to refuse any member. ~~The applicant institution shall be supplied the following documents before the scheduled visitation:~~

~~(1) ICPPE Form TVS-1 (7/77)~~

~~(2) TV-2 (7/77)~~

~~(3) VTA (7/77)~~

(e) Upon completion of the on-site evaluation, the team members will submit their individual evaluation reports to the team ~~chairman~~ **chairperson** within seven (7) days. The team ~~chairman~~ **chairperson** will:

(1) prepare a combined report; and

(2) along with a letter of transmittal, submit the team evaluation to the commission;

no later than fifteen (15) days after the on-site evaluation. Upon submission of their individual report, the team members will return to the commission all evaluation materials provided to them.

(f) All team members will **do the following**:

(1) Pay their own expenses. ~~and~~

(2) File claims for reimbursement in accordance with state regulations.

The commission in turn will compile the expenses of the team evaluation and bill the applicant institution for the cost of the evaluation.

(g) No private institution shall be notified of the results of its inspection until all applicable fees and charges have been remitted to the ~~Indiana~~ commission. ~~for Postsecondary Proprietary Education~~. Payment must be made by certified check payable to the commission.

(h) Upon receipt of the team evaluation, the commission shall **do the following**:

(1) Take action appropriate to the evaluation ~~pursuant to P.L.313 (Acts of 1971) as amended. The Commission shall then under IC 20-12-76.~~

(2) Notify the:

(A) applicant institution of its decision; and ~~notify the~~

(B) institution of its status;

(reference ~~Rule 3-01~~): **570 IAC 1-3-1**).

(Indiana Commission on Proprietary Education; PT IV,4.02; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 181; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 9. 570 IAC 1-4-3 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-4-3 Evaluation notification; expenses

Authority: IC 20-12-76-13

Affected: IC 20-12-76-22; IC 20-12-76-26

Sec. 3. **EVALUATION NOTIFICATION**. ~~Prior to~~ (a) **Before** the team evaluation, notice will be given to the applicant institution as to the exact date of the evaluation.

~~(A)~~ (b) Within thirty (30) days of the scheduled evaluation, the applicant institution will submit **four (4) copies** of its completed ~~PSA-1~~ application/self-study. ~~in the amount of four (4) copies.~~

~~(B)~~ (c) The private institution will pay for the formal team evaluation as per HEA 1220 (Acts of 1973) ~~Section 2 under IC 20-12-76-26~~, inspection fee. The cost of performing the team on-site evaluation shall be borne by the applicant institution; provided,

however, that the total cost of any evaluation including room, board, and mileage ~~which that~~ does not necessitate travel outside the state of Indiana shall not exceed ~~five hundred one thousand dollars (\$500.00)~~ **(\$1,000)** for any one **(1)** institution.

~~(C)~~ **(d) The requirements for in-state evaluations are as follows:**

(1) The institutions shall pay a fee to each team member in the amount of ~~\$75.00~~ **one hundred dollars (\$100)** per day for each day of evaluation. Any part of a regular working day (8:00 a.m.- 5:00 p.m.) shall be considered to be a full working day for purposes of paying the ~~\$75.00~~ **one hundred dollar (\$100)** fee.

(2) Any staff member of the ~~Indiana commission for Postsecondary Proprietary Education~~ who is a member of the evaluation team shall not receive the ~~\$75.00~~ **one hundred dollar (\$100)** fee but shall only have actual expenses paid by the private institution.

(3) The institution shall pay **the following:**

~~(A)~~ **(A)** The current official state ~~travel~~ mileage ~~institution~~ reimbursement for the travel to and from the point of the inspection and any parking fees. The mileage shall be taken from the odometer reading of the team member's car and shown on ~~ICPPE Form V-1 (7/77)~~ **the travel voucher**. Where time and distance make it necessary for a team member to join the evaluation team, air travel may be utilized. Such receipt is to be attached to ~~ICPPE Form V-1 (7/77)~~ **the travel voucher**.

~~(4)~~ **(B)** For the **room and board and room** of the team member for the time spent on the institution evaluation. The costs of the room and board shall be listed in ~~ICPPE Form V-1 (7/77)~~ **the travel voucher**, and the appropriate receipts must be attached to the form.

~~(5)~~ **(4)** Upon completion of the team evaluation, each team member shall **do the following:**

~~(A)~~ **(A)** Prepare ~~ICPPE V-1 (7/77)~~ **the travel voucher**, attaching all receipts. ~~and~~

~~(B)~~ **(B)** Submit one (1) copy to the ~~Indiana commission for Postsecondary Proprietary Education~~ and the duplicate to the private institution.

~~(6)~~ **(5)** No in-state evaluation team member will be supplied from another state, except when required to provide the expertise needed to supply a proper team for the ~~applicant's~~ evaluation. All team members for in-state evaluations will be drawn from various business, industrial, or educational facilities located within the state of Indiana, except as noted in the preceding sentence.

~~(7)~~ **(6)** No institution shall be notified of the results of its evaluation ~~results~~ until all applicable fees and charges have been remitted to the ~~Indiana commission. for Postsecondary Proprietary Education:~~

~~(D)~~ **(e) The requirements for out-of-state evaluations are as follows:**

(1) The private institution located outside the state of Indiana who has been placed on applicant status and has requested the full team evaluation in order to continue to do business within the state of Indiana shall pay the expenses of each team member as ~~shown below:~~ **follows:**

(A) ~~\$75.00~~ **One hundred dollars (\$100)** per day fee.

(B) Mileage from home to airport and return at the current official state travel mileage reimbursement, parking fees, **and** airfare to and from the evaluation site.

(C) Room charges or board charges.

(D) The private institution shall provide transportation to and from the:

(i) airport; ~~the~~

(ii) site of lodging; ~~and the~~

(iii) evaluation site;

for each team member involved.

(2) No team member shall fly in or charge the cost of first class airfare, unless no other class is available, but shall be reimbursed for his **or her** travel by the most economical manner provided by the airline and utilized by the team member in reaching his **or her** destination.

(3) Upon completion of the team evaluation, each team member shall **do the following:**

~~(A)~~ **(A)** Prepare ~~ICPPE V-2 (7/77)~~ **the out-of-state travel voucher**, attaching all receipts. ~~and~~

~~(B)~~ **(B)** Submit one (1) copy to the ~~Indiana commission for Postsecondary Proprietary Education~~ and the duplicate to the private institution.

(4) No institution shall be notified of the results of its evaluation results until all applicable fees and charges have been remitted to the ~~Indiana commission. for Postsecondary Proprietary Education:~~

(5) Where feasible, members of the evaluation team for an out-of-state applicant institution shall be recruited from the business, industrial, or educational facilities of that state.

(6) Any staff member of the ~~Indiana commission for Postsecondary Proprietary Education~~ who is a member of the evaluation team shall not receive the ~~\$75.00~~ **one hundred dollar (\$100)** fee but shall **only** have **only** actual expenses paid by the institution.

~~(E)~~ **(f)** In the case of the applicant institution being located outside the state of Indiana, the same procedures will apply as

~~heretofore~~ detailed **in this section** except that ~~only~~ **not more than two (2)** members of the actual team will be sent from Indiana. The remaining team members shall be chosen from the state where the applicant institution is located. The appointment of team members may be jointly achieved by ~~this agency~~ **the commission** and the applicable agency in the state of domicile. (*Indiana Commission on Proprietary Education; PT IV,4.03; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 182; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 10. 570 IAC 1-4-4 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-4-4 Reevaluation

Authority: IC 20-12-76-13

Affected: IC 4-21.5; IC 20-12-76

Sec. 4. ~~EVALUATION TEAM = CANDIDATE INSTITUTION~~. In the case of a reevaluation for a candidate institution, the following procedures will be adhered to:

~~(A)~~ **(1)** The candidate institution shall submit a revised, updated ICPPE Form PSA-1 application/self-study reflecting all changes since the first team evaluation. **Four (4) copies of the PSA-1 application/self-study** shall be submitted to the commission ~~in four~~ **(4) copies no not** later than thirty (30) days ~~prior to before~~ the scheduled visitation.

~~(B)~~ **(2)** The:

(A) selection of the team; and ~~the~~

(B) notification of the:

(i) team members; and ~~the~~

(ii) candidate institution;

as to the time, place, and responsibilities shall be in the same manner and procedure as defined in ~~Rule 4.03(A), (C), (D); section 2(b), 2(d), and (E); 2(e) of this rule.~~

~~(C)~~ **(3)** If a candidate institution does not successfully pass its on-site reevaluation, then it shall be:

(A) denied the right to do business in the state; and ~~shall be~~

(B) notified as to the required procedures to seek relief under the Administrative Adjudication Act (~~IC 1971, 4-22-1~~); **(IC 4-21.5)** and ~~Rule 7.01 of these rules and regulations; 570 IAC 1-7-1.~~

~~(D)~~ **(4)** A candidate institution who successfully passes its reevaluation shall be notified in accordance with the established procedures in ~~PART III of these rules and regulations; 570 IAC 1-3.~~

(*Indiana Commission on Proprietary Education; PT IV,4.04; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 184; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 11. 570 IAC 1-5-2 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-5-2 Chief administrative officer as agent; permit exemption; on-campus personnel exemption

Authority: IC 20-12-76-13

Affected: IC 20-12-76-31

Sec. 2. ~~EXEMPTION TO AGENT REQUIREMENT~~ **(a) The institutional personnel referenced in this section are not required to obtain an agent permit for the purpose of soliciting students.**

(b) The designated chief administrative officer of the institution will not be required to follow the procedures for obtaining an agent's permit. ~~or bond~~. Upon request, he ~~or she~~ shall receive, automatically, an agent's permit. Only one **(1)** such permit will be issued and only to the designated chief administrative officer.

(c) On-campus personnel or institutional representatives are not required to obtain an agent permit unless they will also be soliciting students at locations other than the approved campus, branch, or learning site. (*Indiana Commission on Proprietary Education; PT V,5.02; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 185; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 12. 570 IAC 1-5-3 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-5-3 Application procedure; temporary permit

Authority: IC 20-12-76-13

Affected: IC 20-12-76-31; IC 20-12-76-32

Sec. 3. AGENT CERTIFICATION INITIATION BY POSTSECONDARY PROPRIETARY EDUCATIONAL INSTITUTION:

~~(a)~~ In order to obtain the agent's certification, the employing institution will request the commission to send ~~Forms AA-1, AA-1AB, Bond A, Bond PSA-1BB and ATV-1~~; **the following:**

(1) The agent permit application form.

(2) The agent training verification form.

Upon receipt of the forms the employing institution will complete them and return them with the agent application fee to the commission marked as follows: "Attention: Staff Specialist for Licensing Procedures: Contains Agent Application Forms".

~~(A)~~ **(b)** If the commission is unable to grant or deny the request for agent certification within fifteen (15) days after the receipt of the agent's application, ~~and bonding forms~~, the commission will send ~~Form TP-1~~ **an agent temporary permit** to the applicant. ~~Form TP-1~~ **The agent temporary permit** shall be valid for a period of time not to exceed sixty (60) days.

~~(B)~~ **(c)** When the commission has received the agent's certification forms, it shall, upon proper review and determination, issue ~~Form AD~~ **an agent's identification card** to the applicant. ~~Form AD~~ **The agent identification card** will be:

(1) valid for one **(1)** year; and ~~will be~~

(2) renewed upon submission of the renewal fee and ~~AA-1~~ **agent renewal application form**; unless a violation or violations of ~~P.L.313~~ **IC 20-12-76** have been reported and verified.

~~(C)~~ **(d)** Any person who has a previous felony conviction may be refused an agent permit card. (*Indiana Commission on Proprietary Education; PT V,5.03; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 185; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 13. 570 IAC 1-5-4 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-5-4 Training verification

Authority: IC 20-12-76-13

Affected: IC 20-12-76-31; IC 20-12-76-32; IC 24-4.5

Sec. 4. AGENT TRAINING VERIFICATION: In order for an agent to be granted licensure, the petitioning institution, for which he **or she** may work, must submit **the** agent's training verification form. ~~ATV-1~~. The form will indicate that the agent:

(1) has been thoroughly trained; and

(2) understands: ~~P.L.313 (Acts of 1971)~~, as amended; **the Rules and Regulations of the Commission**; as well as

(A) IC 20-12-76;

(B) the applicable sections of the Uniform Consumer Credit Code, **IC 24-4.5**; and

(C) his **or her** appeal procedures in case his **or her** license is suspended.

(*Indiana Commission on Proprietary Education; PT V,5.04; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 185; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 14. 570 IAC 1-5-5 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-5-5 Revocation of license

Authority: IC 20-12-76-13

Affected: IC 20-12-76-31; IC 20-12-76-32

Sec. 5. AGENT LICENSURE REVOCATION: The licensure of an agent may be revoked for one **(1)** or more of the following reasons:

~~(A)~~ **(1)** Failure to properly prepare **the agent renewal application** form ~~AA-1~~, after the agent's card has been issued.

~~(B)~~ **(2)** Violation of the rules and regulations pertaining to the **following:**

(A) Solicitation of potential students.

~~(C)~~ **(B)** Placement or advertising for students.

~~(D)~~ **(3)** Utilizing unlicensed agents as partners in either the solicitation or advertisement for potential students.

~~(E)~~ **(4)** Upon cancellation by the institution or bonding company of the agent's bond.

(*Indiana Commission on Proprietary Education; PT V,5.05; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 185; readopted*)

filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 15. 570 IAC 1-5-6 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-5-6 Termination of agent

Authority: IC 20-12-76-13

Affected: IC 20-12-76-31; IC 20-12-76-32

Sec. 6. ~~AGENT TERMINATION:~~ When an active agent has been terminated either by the institution or the commission, ~~for Postsecondary Proprietary Education~~ the institution shall return the ~~Form AID~~ **agent identification card** immediately to the commission along with a statement as to the actual date of termination. If, for any reasons, the ~~Form AID~~ **agent identification card** has been lost, the institution shall send a notarized statement immediately so stating that the terminated agent's card has been lost and cannot be returned. (*Indiana Commission on Proprietary Education; PT V,5.06; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 186; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 16. 570 IAC 1-5-7 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-5-7 Lost or stolen identification card; penalties for misuse

Authority: IC 20-12-76-13

Affected: IC 20-12-76-31; IC 20-12-76-32

Sec. 7. ~~LOST OR STOLEN FORM AID:~~ If:

(1) an authorized agent has lost his ~~Form AID~~, **or her agent identification card**; or if

(2) his **or her** card has been stolen or otherwise unaccounted for;

the institution will immediately notify the commission by the most expedient means. Misuse of ~~Form AID~~ **the agent identification card** may result in a fine of ~~\$1,000.00~~ **one thousand dollars (\$1,000)** or six (6) months imprisonment, or both. ~~such fine and imprisonment.~~ (*Indiana Commission on Proprietary Education; PT V,5.07; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 186; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 17. 570 IAC 1-6-1 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-6-1 Annual renewal of bond

Authority: IC 20-12-76-13

Affected: IC 20-12-76-17

Sec. 1. ~~YEARLY RENEWAL OF SURETY BONDS:~~ Each year, every postsecondary proprietary educational institution must submit a new institutional bond on or before the expiration date of the bond. The amount of liability will be determined by utilizing the formula of ~~P.L.159 (Acts of 1972):~~ **IC 20-12-76-17**. Continuation certificates will not be acceptable. Notification must be received ~~no not~~ later than five (5) working days after the expiration date of the institutional bond. Failure to notify the commission of the new institutional bond within five (5) working days will result in suspension of the institution's right to do business within the state.

(A) ~~Agent bonds will be continued by certificate and must be submitted each year, on or before the expiration date of the bonds. Failure to submit a continuation certificate will result in the revocation of the institution's agent permit cards.~~ (*Indiana Commission on Proprietary Education; PT VI,6.01; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 186; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 18. 570 IAC 1-6-2 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-6-2 Approved list of surety companies

Authority: IC 20-12-76-13

Affected: IC 20-12-76-17

Sec. 2. ~~APPROVAL LIST FOR SURETY:~~ The commission will not accept bonds from surety companies ~~which that~~ are not approved by the Indiana State department of insurance. Each petitioning institution must verify ~~sureties~~ **surety's** status with ~~this the~~

department ~~prior to~~ **of insurance before** obtaining their bonds. (*Indiana Commission on Proprietary Education; PT VI,6.02; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 186; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 19. 570 IAC 1-6-3 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-6-3 Complaint by student; notice of claim

Authority: IC 20-12-76-13

Affected: IC 20-12-76-17; IC 20-12-76-36

Sec. 3. ~~PROCEDURES FOR CLAIM AGAINST SURETY - INSTITUTION/AGENT.~~ If a student is not supplied with the agreed upon course of instruction either by reason of failure to keep and maintain the institution in an operating condition, furnishing the course of instruction, or ~~by reason of~~ failure to supply and make available the equipment or facilities necessary to any such course of instruction, the student or his ~~or her~~ legally authorized representative may request the commission to file a claim against the institution for reimbursement of a portion or all tuition or other payments made by the student to the institution. Any claim submitted to the commission must contain **the following**:

~~(A)~~ **(1)** A statement:

(A) of the facts supporting the claim; or

(B) outlining the problem experienced.

~~(B)~~ **(2)** A copy of the contract signed by the student.

~~(C)~~ **(3)** Copies of **the following**:

(A) Receipts for cash paid.

(B) Cancelled checks. ~~or~~

(C) Money orders.

~~(D)~~ **(4)** Any other material ~~which that~~ substantiates the claim.

Upon submission of ~~such the~~ claim, the commission shall attempt to adjust ~~such the~~ claim on an informal basis to the satisfaction of all parties. If the commission is unable to adjust the claim to the satisfaction of all parties using informal procedures, ~~thereupon~~ both the institution and the surety on the bond shall be given not less than twenty (20) days notice and shall be permitted to appear and defend at a formal hearing set on the claim. (*Indiana Commission on Proprietary Education; PT VI,6.03; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 186; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 20. 570 IAC 1-6-4 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-6-4 Payment of claim; procedures against surety

Authority: IC 20-12-76-13

Affected: IC 20-12-76-17; IC 20-12-76-36

Sec. 4. ~~PROCEDURES FOR CLAIM AGAINST SURETY - INSTITUTION/AGENT.~~ If, as the result of such formal hearing:

(1) the commission determines that any portion or all of the claim of the student:

(A) is valid; and

(B) should be allowed; and ~~such~~

(2) ~~the~~ claim is not paid or satisfied by the institution within a reasonable time, which shall not be less than ten (10) days; then the surety on the institution's bond ~~or agent's bond~~ shall be billed for the amount of ~~such the~~ claim. (*Indiana Commission on Proprietary Education; PT VI,6.04; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 187; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 21. 570 IAC 1-6-6 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-6-6 Refunds to students; disbursement; records

Authority: IC 20-12-76-13

Affected: IC 20-12-76-36

Sec. 6. ~~PROCEDURE USED FOR DISBURSING REFUNDS TO STUDENTS VIA PAYMENT ON INSTITUTIONAL OR AGENT BOND FROM SURETY.~~ (a) The commission, immediately upon notice that bond claim is to be made, obtains a total list of students enrolled during the term of ~~said the~~ bond.

(b) Each student claim on the bond is investigated and verified according to copies of:

- (1) cancelled checks;
- (2) money orders; or
- (3) receipts for cash;

as to the total amount of money paid to the institution by the student.

(c) The amount of refund to each student is determined according to the total amount of the bond being claimed. When the amount of **the** bond is not sufficient to pay a total refund to each student, the amount to each student is computed on a percentage on the dollar amount of the total paid by each student.

(d) Upon receipt of the total amount of claim from surety, the check will be deposited in the state treasury in an ~~Auditor's~~ **auditor of state's** miscellaneous clearing account for such purposes.

(e) The ~~State~~ **auditor of state** will process each student's claim according to the claim voucher/voucher abstract procedure.

(f) When checks have been prepared for each student by the auditor of state, the checks will be forwarded to the commission ~~for Postsecondary Proprietary Education~~ to be disbursed to each student.

(g) Upon receipt of the checks from the auditor of state, the amount of each check will be verified as to its correct amount.

(h) The commission will notify each student that his ~~or her~~ refund check is prepared. The student will be required to sign a receipt ~~which stated~~ **stating** that he ~~or she~~ has received ~~such the~~ refund.

(i) The:

- (1) signed receipt;
- (2) claim voucher/voucher abstract; and
- (3) all materials verifying the amount of the refund;

become a permanent part of that institution's file and part of the ~~Commission for Postsecondary Proprietary Education's~~ **commission's** permanent bookkeeping records. (*Indiana Commission on Proprietary Education; PT VI, 6.06; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 187; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 22. 570 IAC 1-8-3 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-8-3 Prohibited advertising requirements

Authority: IC 20-12-76-13

Affected: IC 20-12-76-30

Sec. 3. ~~ADVERTISING PROHIBITIONS:~~ An institution must **do the following:**

~~(A)~~ **(1)** Use only advertising or promotional literature that is truthful and that does not give any false, misleading, or exaggerated impression with respect to **the following:**

- ~~(A)~~ **(A)** The institution.
- ~~(B)~~ **(B)** Its personnel.
- ~~(C)~~ **(C)** Its courses. ~~and~~
- ~~(D)~~ **(D)** Its services. ~~or~~
- ~~(E)~~ **(E)** The occupational opportunities for its graduates.

~~(B)~~ **(2)** Not represent directly or by implication that there is a substantial demand for persons completing any of the courses offered by the institution unless the institution has a reasonable basis for the representation documented by competent, objective, and statistically valid data.

~~(C)~~ **(3)** Clearly indicate in its advertising and promotion that education or occupational training and not employment is being offered.

~~(D)~~ **(4)** Include its full name and the location of the ~~institution~~ **training** in its advertising and promotion. So-called "blind" advertisements are misleading and may not be used.

~~(E)~~ **(5)** Use only testimonials that accurately reflect current:

- ~~(A)~~ **(A)** practices of the institution; or ~~current~~
- ~~(B)~~ **(B)** conditions or ~~current~~ employment opportunities in the field.

Such testimonials may be used provided prior consent is obtained and no remuneration or other consideration is made for either the consent or the use of the endorsement.

(Indiana Commission on Proprietary Education; PT VIII, 8.03; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 190; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 23. 570 IAC 1-8-4.5 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-8-4.5 Uniform refund policy

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26

Sec. 4.5. If a postsecondary proprietary educational institution utilizes a refund policy of:

(1) their recognized national accrediting agency; or

(2) the ~~new~~ United States Department of Education (USDOE) Title IV refund policy enacted by the 1992 Amendments to the Higher Education Act;

the postsecondary proprietary educational institution must provide written verification in the form of a final refund calculation, upon the request of the commission, that its refund policy is, indeed, more favorable to the student than that of the commission's. Postsecondary proprietary educational institutions accredited by a nationally recognized accrediting agency must uniformly apply the commission's tuition refund policy or the refund policy of their recognized accrediting agency, as previously approved by the commission to all first-time students enrolled. Postsecondary proprietary educational institutions using a refund policy other than that of the commission's must list the complete policy and its origination in the institutional catalog and the enrollment agreement. *(Indiana Commission on Proprietary Education; 570 IAC 1-8-4.5; filed Jan 17, 1995, 1:00 p.m.: 18 IR 1476; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)*

SECTION 24. 570 IAC 1-8-5.5 IS ADDED TO READ AS FOLLOWS:

570 IAC 1-8-5.5 Programs consisting of 120 clock hours or less; refunds

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26

Sec. 5.5. The institution shall cancel a student's enrollment upon request of the student. The student's obligation at the time of cancellation will be calculated as follows:

(1) **The postsecondary proprietary educational institution shall pay a refund to the student in the amount calculated:**

(A) **under the refund policy specified in this section; or**

(B) **as otherwise approved by the commission.**

The institution must make the proper refund no later than thirty-one (31) days after the student's request for cancellation or withdrawal.

(2) **The following refund policy applies to each program consisting of one hundred twenty (120) clock hours or less, except as noted in section 4.5 of this rule:**

(A) **A student is entitled to a full refund if one (1) or more of the following criteria are met:**

(i) **The student cancels the enrollment agreement or enrollment application within six (6) business days after signing.**

(ii) **The student does not meet the postsecondary proprietary educational institution's minimum admission requirements.**

(iii) **The student's enrollment was procured as a result of a misrepresentation in the written materials utilized by the postsecondary proprietary educational institution.**

(iv) **If the student has not visited the postsecondary educational institution before enrollment, and, upon touring the institution or attending the regularly scheduled orientation or classes, or both, the student withdrew from the program within three (3) days.**

(B) **A student withdrawing from an instructional program after starting the instructional program at a postsecondary proprietary institution is entitled to a pro rata refund based upon the number of days less an application or enrollment, or both, fee of ten percent (10%) of the total tuition, not to exceed one hundred dollars (\$100).**

(C) **An institution must make the proper refund as follows:**

(i) **Based upon the student's last day of attendance.**

(ii) **Within thirty-one (31) days of the student's request for cancellation or withdrawal.**

(Indiana Commission on Proprietary Education; 570 IAC 1-8-5.5)

SECTION 25. 570 IAC 1-8-7 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-8-7 Approved advertising code

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26

Sec. 7. ~~APPROVED ADVERTISING CODE~~. Upon notification of the institution's award of applicant status, an institution will also receive its approved advertising code. ~~(A)~~: The advertising code:

(1) consists of the letters "AC" followed by a four (4) digit number (0000); ~~This code~~

(2) will be placed on every television advertisement **and** newspaper advertisement; ~~and~~

(3) will accompany the copy sheet for use on radio, but ~~the code~~ need not be mentioned on the air; ~~The code~~

(4) is provided ~~the~~ to news media; and

(5) is a deterrent to advertising by institutions not authorized to do business in the state of Indiana.

(Indiana Commission on Proprietary Education; PT VIII,8.07; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 192; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 26. 570 IAC 1-9-5 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-9-5 Qualifications for faculty

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26

Sec. 5. ~~FACULTY~~: **Unless otherwise noted under 570 IAC 1-10.1**, all members of the teaching faculty shall possess the following minimum qualifications:

~~(A)~~ (1) A four (4) year degree from an approved institution in the major area they are assigned to teach; or

~~(B)~~ A two (2) year degree from an approved institution in the major area they are assigned to teach; or

~~(C)~~ practical experience of not less than two (2) years in the major area they are assigned to teach. ~~and~~

~~(D)~~ **In addition**, (2) A knowledge of the educational literature in the field of the methods and the techniques of handling.

(Indiana Commission on Proprietary Education; PT IX,9.05; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 192; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 27. 570 IAC 1-10.1-4 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-10.1-4 Associate degrees

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26; IC 20-12-76-26

Sec. 4. ~~Associate Degrees~~: (a) An associate degree may be awarded by an accredited institution to a student who has successfully completed an approved course of study comprised of a minimum of:

~~(A)~~ ~~96~~ (1) **ninety (90)** quarter hours; ~~or~~

~~(B)~~ ~~64~~ (2) **sixty (60)** semester hours; or

~~(C)~~ (3) **nine hundred sixty (960)** clock hours.

~~(D)~~ (b) An associate of applied science ~~This award~~ is conferred upon a student who has successfully completed an approved course of study in a vocational program. The objectives of the program should emphasize the fact that the end result of the training shall be that the graduate possess those job skills required for entry level employment in the specialty. The curriculum shall provide for a minimum of **seventy-five percent (75%)** in the specialty. This requirement applies to the minimum of: ~~96~~

(1) **ninety (90)** quarter hours; ~~64~~

(2) **sixty (60)** semester hours; or

(3) **nine hundred sixty (960)** clock hours.

This degree does not require the inclusion of general studies courses, but general studies courses may be a part of the program.

~~Additional Standards: Staff~~: ~~The~~ (c) Additional standards for the award of the associate in applied science degree are **as follows**:

~~(a)~~ (1) One-third (~~1/3~~) of the teaching staff in the program shall hold **at least a higher degree, master's degree, a first professional degree, baccalaureate degree, plus five (5) years practical experience in the specialty, or an excess of more than ten (10) years**

practical experience in the specialty.

- ~~(b)~~ **(2)** Two-thirds (~~2/3~~) of the teaching staff in the program shall maintain **at least one (1)** of the following minimum qualifications:
- ~~(1)~~ **(A)** A degree relevant to the specialty from an accredited two **(2)** or four **(4)** year collegiate institution. ~~or~~
 - ~~(2)~~ **(B)** Five (5) years documented practical experience in the specialty. ~~or~~
 - ~~(3)~~ **(C)** A minimum of two (2) years documented practical experience ~~in the specialty~~ and relevant training in the specialty.

(d) An occupational associate degree is conferred upon a student who has successfully completed an approved course of study in an occupational program. The objectives of the program shall be technical in nature with courses designed to assist students in the application of these skills and the ability to communicate effectively and intelligently in the workplace. The curriculum shall provide for a minimum of seventy-five percent (75%) in the specialty. This requirement applies to the minimum of:

- (1) ninety (90) quarter hours;**
- (2) sixty (60) semester hours; or**
- (3) nine hundred sixty (960) clock hours.**

This degree does not require the inclusion of general studies courses, but general studies courses may be a part of the program.

(e) Additional standards for the award of the occupational associate degree are as follows:

- (1) One-third (1/3) of the teaching staff in the program shall hold at least a baccalaureate degree, plus five (5) years practical experience in the specialty, or more than ten (10) years practical experience in the specialty.**
- (2) Two-thirds (2/3) of the teaching staff in the program shall maintain at least one (1) of the following minimum qualifications:**
 - (A) A degree relevant to the specialty from an accredited two (2) or four (4) year collegiate institution.**
 - (B) Five (5) years documented practical experience in the specialty.**
 - (C) A minimum of two (2) years documented practical experience and relevant training in the specialty.**

~~(2)~~ **(f) An associate in arts or associate in science** ~~The Associate in Arts or the Associate in Science~~ degree has the same requirements as those specified for the associate degree in general. The intent of the associate in arts or the associate in science degree is that such a degree may be a terminal or a transfer award. The curriculum shall be comprised of a minimum of **fifty percent (50%)** in the specialty. At least **thirty-five (35%)** of the remaining courses shall be in the liberal arts. This requirement applies to the minimum levels of ~~96~~ **ninety (90)** quarter, ~~64~~ **sixty (60)** semester, or **nine hundred sixty (960)** clock hours. Programs of longer duration shall not be required to increase the liberal arts component beyond these minimum requirements.

~~Additional Standards: Staff.~~ **(g) Additional standards for the award of the associate in arts or the associate in science degree are as follows:**

- ~~(a)~~ **(1)** A minimum of fifty percent (**50%**) of the instructors in the program shall hold a:
- (A) master's degree; or**
 - (B) first professional degree; or**
 - (C) higher degree.**

The remainder shall hold baccalaureate degrees. ~~or~~

- ~~(b)~~ **(2)** The institution may be evaluated in comparison with similar institutions or programs in the public or private sector of postsecondary education.

(Indiana Commission on Proprietary Education; PTX, 10.04; filed Mar 7, 1979, 3:31 p.m.: 2 IR 475; errata, 6 IR 1938; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 28. 570 IAC 1-10.1-6 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-10.1-6 Advanced degrees

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26

Sec. 6. ~~Advanced Degrees.~~ Awards of advanced degrees, such as the:

- (1) baccalaureate;**
- (2) master's first professional; or**
- (3) doctoral degrees;**

shall be treated as an exception. Each request will be thoroughly studied and reviewed by the commission before permission is granted to award such a ~~degree(s)~~: **degree**. Proposed programs will be evaluated by the standards of similar programs in public or private postsecondary institutions. (*Indiana Commission on Proprietary Education; PTX, 10.06; filed Mar 7, 1979, 3:31 p.m.: 2 IR 476; errata, 6 IR 1938; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 29. 570 IAC 1-11-4 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-11-4 Graduate and withdrawn student records

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26

Sec. 4. ~~STUDENT RECORDS: GRADUATE~~: The institution shall maintain ~~graduate~~ records **on graduated, withdrawn, or dropped students** in an active file for at least five (5) years after ~~graduation: student separation from the institution~~. At the end of the five (5) year period, ~~the graduate~~ **these** records shall be maintained in an inactive file. The graduate records shall contain all information as detailed in ~~Section 11-03 of the rules and regulations: section 3 of this rule~~. In addition, the graduate records shall indicate the following:

~~(A)~~ **(1)** Class rank upon graduation.

~~(B)~~ **(2)** Job placement given (if job placement assistance is offered by the institution).

~~(C)~~ **(3)** Place of employment and job salary after graduation.

(4) Date of graduation, withdrawal, or drop.

(Indiana Commission on Proprietary Education; PT XI, 11.04; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 196; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 30. 570 IAC 1-11-8 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-11-8 Receipt for records

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26

Sec. 8. ~~RECORDS RECEIPT~~: The institution from which all records are received will sign two (2) copies of ~~Form RRV01 (7/77):~~ **the record receipt verification form**. One **(1)** copy will be retained by the school, and one **(1)** copy will be placed ~~in~~ **on** file with the commission. (*Indiana Commission on Proprietary Education; PT XI, 11.08; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 196; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731*)

SECTION 31. 570 IAC 1-12-1 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-12-1 Financial review of institution

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26; IC 20-12-76-26

Sec. 1. ~~FINANCIAL REVIEW~~: The commission shall review the financial structure each year to determine the financial stability of the institution. Since it is unlikely that each institution will have financial information in a ~~similar~~ **similar** format, the following information shall be provided for the commission's review of the financial status of the institution:

~~(A)~~ **(1)** Indicate whether income is reported:

(A) on cash or accrual basis and whether the accounting process has been changed in the last year; **and**

(B) ~~Indicate whether income is reported~~ by calendar ~~of~~ or fiscal year or some other basis.

~~(C)~~ **(2)** A copy of the **following**:

(A) Statements of the last two **(2)** business years including the following:

~~(1)~~ **(i)** Balance sheet.

~~(2)~~ **(ii)** Income statement.

~~(3)~~ **(iii)** Cash flow.

~~(D)~~ **A copy of the (B)** Last two (2) years if applicable.

~~(E)~~ **A copy of the (C)** Institution's marketing projections including current estimates.

(Indiana Commission on Proprietary Education; PT XII, 12.01; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 197; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 32. 570 IAC 1-12-2 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-12-2 Form for review

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26; IC 20-12-76-26

Sec. 2. ~~FINANCIAL REVIEW: ANALYSIS~~. The commission requests that ~~Form FR-1 (7/77)~~ **a financial review submission sheet** be completed as follows:

(1) Part I. The following current assets:

- (A) Cash in bank.
- (B) Cash on hand.
- (C) Accounts receivable.
- (D) Trade.
- (E) Student.
- (F) Officers, directors, and stockholders.
- (G) Notes receivable, investments - short term.
- (H) Prepaid expenses (itemize).
- (I) Inventories.
- (J) Installments receivable.

(2) Part II. The following fixed assets:

- (A) **The following** equipment:
 - (i) Leased.
 - (ii) Rented.
 - (iii) Owned.
- (B) Accumulated depreciation - equipment.
- (C) Land.
- (D) Buildings and structures.
- (E) Purchase price - when acquired.
- (F) Accumulated depreciation - buildings.
- (G) Investments - long term.
- (H) Goodwill.
- (I) Installments receivable.

(3) Part III. The following current liabilities:

- (A) **The following** notes payable:
 - (i) Bank.
 - (ii) Trade creditors.
 - (iii) Other (itemize).
- (B) Accounts payable (itemize).
- (C) Deferred income - student.
- (D) Advance from officers, directors, and stockholders.

(4) Part IV. The following long term liabilities:

- (A) Bonds payable.
- (B) Loans payable.
- (C) Dividends payable.
- (D) Lease obligations (itemize).

(5) Part V. ~~Equity/Capital~~ **Equity, capital, and income from the following:**

- (A) Tuition.
- (B) Sale of ~~Book~~ books.
- (C) Sale of supplies.
- (D) Miscellaneous.
- (E) Interest. ~~income~~.
- (F) Endowments, grants, **and** gifts.

(6) Part VI. The following expenses:

- (A) **The following** wages and salaries:

- (i) Administrative.
- (ii) Staff.
- (iii) Other.
- (B) Commission evaluation expense.
- (C) Operating expenses (itemize).

(Indiana Commission on Proprietary Education; PT XII,12.02; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 197; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 33. 570 IAC 1-13-1 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-13-1 Extension learning sites; in-state institutions

Authority: IC 20-12-76-13

Affected: IC 20-12-76-16

Sec. 1. ~~EXTENSION CENTER - INDIANA INSTITUTIONS~~. If an institution located within Indiana wishes to establish ~~an extension center or a new site for offering instruction, in another county of the state~~ it shall ~~then~~ do the following:

- ~~(A)~~ (1) **Before advertising or recruiting for the learning site to the public**, notify the commission by letter of the following:
 - ~~(1)~~ **Proposed (A) The designated** location.
 - ~~(2)~~ **(B) The** course or courses to be offered.
 - ~~(3)~~ **(C) The** cost of the course or courses.
 - ~~(4)~~ **(D) The** number of proposed staff and faculty. ~~to be utilized.~~
- ~~(B)~~ (2) **Submit ~~an~~ the following:**
 - ~~(A)~~ **The appropriate** application fee. ~~of one hundred dollars (\$100.00).~~
 - ~~(C)~~ **Submit (B) The** necessary papers for new agents. ~~and~~
 - ~~(C)~~ **The twenty dollars (\$20.00) per appropriate** agent fee.
 - ~~(D)~~ **The required fire inspection by the local or township fire department pertaining to the facility, or portion thereof, to be used.**

(Indiana Commission on Proprietary Education; PT XIII,13.01; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 198; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 34. 570 IAC 1-13-2 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-13-2 Learning sites; out-of-state institutions

Authority: IC 20-12-76-13

Affected: IC 20-12-76-16

Sec. 2. ~~EXTENSION CENTER - OUT OF STATE SCHOOLS~~. If an institution with an approved status with the commission and domiciled in another state wishes to establish ~~an extension center~~ **a learning site** in Indiana for the offering of a course or courses of instruction, it shall ~~then~~ do the following:

- ~~(A)~~ (1) Notify the commission by letter of the following:
 - ~~(1)~~ **Proposed (A) The designated** location.
 - ~~(2)~~ **(B) The** course or courses to be offered.
 - ~~(3)~~ **(C) The** cost of the course or courses.
 - ~~(4)~~ **(D) The** number of proposed staff and faculty. ~~to be utilized.~~
- ~~(B)~~ (2) **Submit ~~an~~ the following:**
 - ~~(A)~~ **The appropriate** application fee. ~~of one hundred dollars (\$100.00).~~
 - ~~(C)~~ **Submit (B) The** necessary papers for new agents. ~~and~~
 - ~~(C)~~ **The twenty dollars (\$20.00) per agent appropriate fee (if not already licensed as agents for the parent campus).**
 - ~~(D)~~ **The required fire inspection by the local or township fire department pertaining to the facility, or portion thereof, to be used.**
- ~~(D)~~ **An out of state institution which wishes to establish an extension in the State of Indiana, and has intentions to only solicit for the proposed extension, shall be placed on Applicant Status for eleven months to allow time for the completion of the onsite evaluation at the extension location:**

(Indiana Commission on Proprietary Education; PT XIII,13.02; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 199; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)

SECTION 35. 570 IAC 1-13-3 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-13-3 Requirements for branch campuses

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26

Sec. 3. ~~EXTENSION CENTER = GENERAL.~~ (a) When an institution has submitted all forms and fees, it shall be placed on an applicant status. This status shall be for a period of time not less than sixty (60) days nor more than ~~four (4)~~ **eleven (11)** months.

~~(A) Following the evaluation, and after the extension and out of state institution has met all the Commission requirements, the in-state extension will continue compliance to these Rules and Regulations, while the Applicant Status of the Main Facility located out of state will be allowed to expire, and that institution will not be required to undergo further requirements of renewal. The fifth year of Fully Accredited Status, the out of state school and extension will be subject to the entire evaluation process again.~~

(b) A branch campus shall be subject to the same rules and expectations of an in-state institution as defined in this title.

~~(B)~~ (c) The ~~institution~~ **branch campus** shall use **on all advertisements** the advertising code, **for example**, AC-0000, ~~originally assigned by the commission. on all advertisements for the new extension center.~~

~~(C) The institution shall list the city and location of the new extension and the institution's name in all advertising. It shall appear in the form shown in the examples below:~~

~~"Indianapolis Center of Haywood Business College"~~

~~"Marion Center of Brim College."~~

~~(Indiana Commission on Proprietary Education; PT XIII,13.03; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 199; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)~~

SECTION 36. 570 IAC 1-13-4 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-13-4 Rules applicable to branch campuses

Authority: IC 20-12-76-13

Affected: IC 20-12-76-26

Sec. 4. ~~EXTENSION CENTER = EVALUATION/RENEWAL.~~ All rules and regulations shall apply to each ~~extension center~~ **branch campus** in the same ~~fashion manner~~ as they apply to the main campus of the institution. ~~(Indiana Commission on Proprietary Education; PT XIII,13.04; filed Feb 6, 1978, 4:30 p.m.: Rules and Regs. 1979, p. 199; readopted filed Jan 9, 2002, 10:58 a.m.: 25 IR 1731)~~

SECTION 37. 570 IAC 1-14-2 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-14-2 Claim criteria

Authority: IC 20-12-76-13

Affected: IC 20-12-76-17

Sec. 2. The fund is established to provide compensation to a student or enrollee of a postsecondary educational institution who suffers a loss or damage as a result of **any of the following:**

(1) The failure or neglect of the postsecondary proprietary educational institution to **do the following:**

(A) Faithfully perform all agreements, express or otherwise, with the:

(i) student;

(ii) enrollee;

(iii) one (1) or both of the parents of the student or enrollee; or a

(iv) guardian of the student or enrollee;

as represented by the application for the accreditation and the materials submitted in support of that application.

~~(2) the failure or neglect of the postsecondary proprietary educational institution to~~ (B) Maintain and operate a course or courses of instruction or study in compliance with the standards of ~~IC 20-1-19;~~ **IC 20-12-76.** or

~~(3)~~ (2) An agent's misrepresentation in procuring the student's enrollment.

(Indiana Commission on Proprietary Education; 570 IAC 1-14-2; filed May 15, 2003, 10:30 a.m.: 26 IR 3339)

SECTION 38. 570 IAC 1-14-3 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-14-3 Fund contributions

Authority: IC 20-12-76-13

Affected: IC 20-12-76-21

Sec. 3. (a) The proper amount of a postsecondary educational institution's fund contribution shall be calculated in accordance with ~~IC 20-1-19-8.3~~. **IC 20-12-76-21.**

(b) Upon receipt of a contribution from a school to the fund, the check shall be deposited into the fund within twenty-four (24) hours of receipt.

(c) Money in the fund not currently needed will be invested by the treasurer of the state.

(d) The treasurer of the state shall invest the money in a manner similar to the investment of other public funds.

(e) Any gains made from fund investments shall also be deposited into the fund.

(f) Fund proceeds do not revert into the **state** general **state** fund. *(Indiana Commission on Proprietary Education; 570 IAC 1-14-3; filed May 15, 2003, 10:30 a.m.: 26 IR 3339)*

SECTION 39. 570 IAC 1-14-4 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-14-4 Quarterly contributions

Authority: IC 20-12-76-13

Affected: IC 20-12-76-21; IC 20-12-76-21

Sec. 4. Each postsecondary proprietary institution shall make quarterly contributions to the fund in compliance with ~~IC 20-1-19-8.3~~. **IC 20-12-76-21.** As used in ~~IC 20-1-19-8.3~~ **IC 20-12-76-21**, "aggregate amount of tuition and fees" means gross income before:

- (1) depreciation;
- (2) taxes; or
- (3) amortization;

less any student refunds required by this rule or by student contract. *(Indiana Commission on Proprietary Education; 570 IAC 1-14-4; filed May 15, 2003, 10:30 a.m.: 26 IR 3339)*

SECTION 40. 570 IAC 1-14-10 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-14-10 Investigation, hearing, and payment of allowed claims

Authority: IC 20-12-76-13

Affected: IC 4-21.5; IC 20-12-76-17; IC 20-12-76-20

Sec. 10. After the filing of a claim, the commission shall conduct an investigation. Commission staff will try to resolve the complaint to the satisfaction of all parties through an informal investigation. An investigation into a student or enrollee's claim will be made by commission staff through the following process:

- (1) After reviewing a student or enrollee's complaint, commission staff shall then contact the postsecondary educational institution.
- (2) The postsecondary educational institution shall respond in writing to the student or enrollee's complaint and commission staff inquiry within two (2) weeks of receipt of the complaint.
- (3) If, after the postsecondary educational institution has responded to the inquiry, the claim cannot be resolved satisfactorily on an informal basis, either party may request a hearing.
- (4) If a hearing is requested, the student or enrollee or the postsecondary educational institution shall be given not less than twenty (20) days' notice. Each party shall be permitted to appear and defend at a formal hearing set on the claim.
- (5) If it is determined by the commission, either through an informal investigation or a request for formal hearing, that a claim is valid, the commission shall **do the following:**

(A) Determine the amount of the allowed claim. ~~and~~

(B) Notify the institution of the fact of the claim allowance.

If the claim is disallowed in whole or in part, the student shall be notified of the disallowance.

(6) If, after ~~such the~~ formal hearing and adjudication of ~~such the~~ claim by the commission, any party to the proceedings desires to appeal therefrom, ~~such the~~ appeal shall be prosecuted under the provisions of the Indiana Administrative Adjudication Act (IC 4-21.5).

(7) A disbursement from the fund shall be paid to a student or enrollee within thirty (30) days from the date the determination is made.

(8) In the event the claim is not paid or satisfied within a reasonable time, the claim shall be paid by disbursement from the fund.

(9) An institution's failure or refusal to pay a student refund claim that is determined as valid by the commission may be construed as a violation of the refund adherence standard set forth in IC 20-12-76-25(7).

(Indiana Commission on Proprietary Education; 570 IAC 1-14-10; filed May 15, 2003, 10:30 a.m.: 26 IR 3340)

SECTION 41. 570 IAC 1-14-11 IS AMENDED TO READ AS FOLLOWS:

570 IAC 1-14-11 Rights of commission to proceed against institution

Authority: IC 20-12-76-13

Affected: IC 20-12-76-20

Sec. 11. If a claim is paid out of the fund, the commission shall make all reasonable efforts to collect the amount of the paid claim from the institution **or its operator or operators** against whom the claim was made. These efforts may include, where appropriate, **either of the following:**

(1) Commencing civil action on behalf of the state against the institution **or its operator or operators** in the county of its principal place of business.

(2) **Requesting that the office of the attorney general take all reasonable and appropriate steps to collect the amount paid.**

Any amounts recovered as a result of these efforts shall be returned to the fund. *(Indiana Commission on Proprietary Education; 570 IAC 1-14-11; filed May 15, 2003, 10:30 a.m.: 26 IR 3340)*

Notice of Public Hearing

Under IC 4-22-2-24, notice is hereby given that on October 26, 2005 at 10:00 a.m., at the Indiana Government Center-South, 402 West Washington Street, Conference Center Room 14, Indianapolis, Indiana the Indiana Commission on Proprietary Education will hold a public hearing on proposed amendments to 570 IAC.

This proposed rule does not impose any requirement or costs on a regulated entity not expressly required by state or federal law.

Copies of these rules are now on file at the Indiana Government Center-South, 302 West Washington Street, Room E201 and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

Jeff Weber
Commissioner
Indiana Commission on Proprietary Education